GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2660
ANSWERED ON:16.12.2004
PURCHASING OF CARPETS BY AI
Chowdhury Shri Adhir Ranjan

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any irregularities in purchase of carpets by Air India;

(b) if so, the details thereof;

(c) the number of such cases brought to the notice of the Ministry so far; and

(d) the concrete steps taken/ being taken by the Government in this regard?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) During 1993-94 certain irregularities in purchase of carpet by Air India Ltd. for aircraft from M/s Pennsylvania Woven Carpet Mills (PWCM), USA were noticed.

(b) Air India suffered a loss of Rs.197.70 lakh due to non-supply of carpets by M/s PWCM.

(c) Except this, no other case has come to the notice of Government.

(d) Air India has taken following steps to curb such irregularities:

i. subsequent to issue of Purchase Order (PO) constant monitoring is done till the party accepts and acknowledges and final material is received;

ii. authority for approval of payment of advance is assigned only to senior officers of the level of Dy.General Manager and above;

iii. Maxi-Merlin system (on-line materials management) has been introduced for effective control.